



Myron Burr  
Sr. Mgr. EHS

Siltronic Corporation  
7200 NW Front Avenue M/S, 50  
Portland OR 97210-3676, USA  
Tel. 503-219-7832  
Fax 503-219-4121  
myron.burr@siltronic.com

2016-06-15

VIA E-MAIL

Harold R. Moore III  
Nationwide Indemnity Company  
Environmental Claim Unit  
94 Lake Street  
Salem, NH 03079

Re: **Supplement to June 9, 2016 Letter**  
*Siltronic Corporation v. Employers Insurance Company of Wausau, et al.*  
USDC Case No. 11-CV-1493-ST  
Our File No. 46454-38912

Dear Harold:

Further to my earlier letter (attached), dated June 9, 2016, demanding payment of defense costs disallowed by Granite State, I attach for your information the following correspondence:

- Letter dated June 13, 2016 from Daniel Maunz of AIG reducing its payment of MFA Invoices #25543, #25546 and #25547 (by a total of \$77,370.57) because the costs allegedly relate to "pre-1978 Historical Contamination" or "Historical Contamination;"
- Letter dated June 14, 2016 from Daniel Maunz of AIG reducing its payment of Oregon Department of Environmental Quality (DEQ) invoices HSRAF16-1889, HSRAF16-2220, HSRAF16-2540 and HSRAF16-2847 (totaling \$12,853.99) because they allegedly relate to "pre-1978 Historical Contamination" or "Historical Contamination."

Although Siltronic does not concede either this factual characterization or the import assigned to this distinction by either Wausau or Granite State, at a minimum all of these costs are reimbursable as defense costs under the existing court Order.

As previously demanded, please confirm that Wausau will immediately commit to prompt reimbursement of all the costs described herein and in the referenced previous correspondence as defense costs under the 78-79 Policies, and to undertake future defense for the same reason.



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Also, as before, your prompt attention to this matter is appreciated.

Best regards,

Siltronic Corporation

A handwritten signature in black ink, appearing to read "Myron Burr", is written over the printed name.

Myron Burr, PE  
Sr. Manager EHS

Enclosures

cc: Neil Nelson  
Christopher L. Reive  
Robert Horkovich



Myron Burr  
Sr. Mgr. EHS

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2016-06-09

VIA E-MAIL

Harold R. Moore III  
Nationwide Indemnity Company  
Environmental Claim Unit  
94 Lake Street  
Salem, NH 03079

Re: Supplement to April 22, 2016 Letter  
*Siltronic Corporation v. Employers Insurance Company of Wausau, et al.*  
USDC Case No. 11-CV-1493-ST  
Our File No. 46454-38912

Dear Harold:

Further to my earlier letter (attached), which demands defense from Wausau pursuant to the court's Second Amended Opinion and Order with regard to its obligations under the 1978-79 Policies, I attach for your information the following correspondence:

- Letter dated May 2, 2016 from Daniel Maunz of AIG reducing its payment of MFA invoices #24949, #24952 and #24953 (by a total of \$14,068.75) because the costs allegedly "relate to pre-1978 Historical Contamination;"
- Letter dated May 3, 2016 from Daniel Maunz of AIG reducing its payment of MFA invoices 25361 and 25362 (totaling \$37,353.75) because the costs allegedly "relate to pre-1978 Historical Contamination" and "Historical Contamination," respectively.

Although Siltronic does not concede either this factual characterization or the import assigned to this distinction by either Wausau or Granite State, at a minimum these costs are reimbursable as defense costs under the existing court Order.

As previously requested, please confirm that Wausau will immediately commit to prompt reimbursement of the attached costs as defense costs under the 78-79 Policies, and to undertake future defense for the same reason.

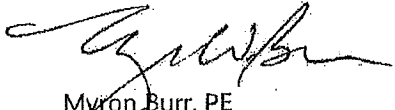


Page 2 of 2

Also, as before, your prompt attention to this matter is appreciated.

Best regards,

Siltronic Corporation



Myron Burr, PE  
Sr. Manager EHS

cc: Neil Nelson  
Christopher L. Reive  
Robert Horkovich



AIG Property Casualty  
Complex Casualty Claims  
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Daniel M. Maunz  
Senior Analyst  
T 212 458-5743  
F 855 611-8175  
Daniel.Maunz@aig.com

June 13, 2016

**BY EMAIL: myron.burr@siltronic.com**

Siltronic Corporation  
Attn: Myron Burr  
7200 NW Front Avenue  
Portland, OR 97210

Dear Mr. Burr:

We have reviewed the invoices referenced below and approved payment in the amount of \$189,429.39, which represents AIG's 100% share.

Invoice #	Total Billed	Deductions	Approved	AIG 100% Share
25543	\$140,751.90	\$ 4,315.00	\$136,436.90	\$136,436.90
25544	\$ 16,841.37	\$ 0	\$ 16,841.37	\$ 16,841.37
25545	\$ 27,035.94	\$ 0	\$ 27,035.94	\$ 27,035.94
25546	\$ 4,617.50	\$ 4,617.50	\$ 0.00	\$ 0.00
25547	\$ 77,553.25	\$68,438.07	\$ 9,115.18	\$ 9,115.18
Total	\$266,799.96	\$77,370.57	\$189,429.39	\$189,429.39

In regard to Invoice #25543, Remedial Investigation, Task 2B: Gasco Impacts Assessment Field Oversight and Task 23: Ecological Risk Assessment, we deducted \$1,292.50 and \$3,022.50, respectively (totaling \$4,315.00), as these activities are only related to pre-1978 Historical Contamination. Further, in regard to Invoice #25546, Early Action Support, Task 1: Negotiations Support and Task 6: Project Management, we deducted \$4,600.00 and \$17.50, respectively (totaling \$4,617.50), as these activities are only related to Historical Contamination. Finally, in regard to Invoice #25547, Allocation Support, Task 2: Forensic Analysis; Task 5: PCI Data Evaluation; Task 6: NRDA Analysis; and Task 7: Negotiations Support, we deducted \$3,030.00, \$51,934.92, \$13,048.15 and \$425.00, respectively (totaling \$68,438.07), as these activities are only related to Historical Contamination.

Please be advised that the approved payment will be made under separate cover and may consist of multiple checks. Should you have any questions, please don't hesitate to contact me at (212) 458-5743.



Sincerely,

A handwritten signature in black ink, appearing to read "Daniel Maunz", written over a horizontal line.

Daniel M. Maunz  
Senior Analyst  
Complex Casualty Claims



AIG Property Casualty  
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P.O. Box 305904  
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Daniel M. Maunz  
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T 212 458-5743  
F 855 611-8175  
Daniel.Maunz@aig.com

June 14, 2016

**BY EMAIL: myron.burr@siltronic.com**

Siltronic Corporation  
Attn: Myron Burr  
7200 NW Front Avenue  
Portland, OR 97210

Dear Mr. Burr:

We have reviewed the Oregon Department of Environmental Quality (ODEQ) invoices referenced below and approved payment in the amount of \$13,611.48, which represents AIG's 100% share.

Invoice #	Total Billed	Deductions	Approved	AIG 100% Share
HSRAF16-1569	\$ 4,025.13	\$ 0.00	\$ 4,025.13	\$ 4,025.13
HSRAF16-1889	\$ 6,114.44	\$ 3,861.75	\$ 2,252.69	\$ 2,252.69
HSRAF16-2220	\$ 7,719.96	\$ 7,719.96	\$ 0.00	\$ 0.00
HSRAF16-2540	\$ 2,096.03	\$ 392.67	\$ 1,703.36	\$ 1,703.36
HSRAF16-2847	\$ 6,509.91	\$ 879.61	\$ 5,630.30	\$ 5,630.30
Total	\$ 26,465.47	\$12,853.99	\$ 13,611.48	\$ 13,611.48

In regard to Invoice #HSRAF16-1889, we deducted \$3,861.75, as 3.5 out of 19 hours were spent on investigation activities for pre-1978 Historical Contamination only and 8.5 out of 19 hours were spent on evaluation of MGP wastes generated by the Hydraulic Control System, so that those hours were associated with Historical Contamination remediation only (*i.e.*, 12/19 \* \$6114.44 = \$3,861.75).

In regard to Invoice #HSRAF16-2220, we deducted \$7,719.96, as all of the described work on this invoice related to pre-1978 Historical Contamination issues.

In regard to Invoice #HSRAF16-2540, we deducted \$392.67, as 100% of the ODEQ charges were associated with Historical Contamination remediation.



In regard to Invoice #HSRAF16-2847, we deducted \$879.61, as 5 out of 15.3 hours were spent on evaluation of issues associated with MGP tar management, so that those hours were associated with Historical Contamination remediation only (i.e.,  $5/15.3 * \$2,691.62 = \$879.61$ ).

Please be advised that the approved payment will be made under separate cover and may consist of multiple checks. Should you have any questions, please don't hesitate to contact me at (212) 458-5743.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel M. Maunz", written over a horizontal line.

Daniel M. Maunz  
Senior Analyst  
Complex Casualty Claims